

THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
August 9, 2017

Present:

Treasurer Young Boozer, Chair
Mr. Marc Green for Dr. David Bronner
Mr. Robert Bradley
Ms. Sarah Calhoun for Chancellor Jimmy Baker (by phone)
Mr. Clinton Carter
Mr. Mark Sullivan (by phone)
Ms. Patti Lambert (by phone)
Ms. Margaret Gunter for Dr. James Purcell

Absent:

Mr. Jimmy Stubbs
Rep. Bill Poole
Sen. Trip Pittman
Mr. Sandy Hammer
Gen. Paul Hankins
Ms. Maria Campbell
Dr. John Stewart

Others present include:

Ms. Daria Story, Assistant Treasurer
Ms. Glenda Allred, Deputy Treasurer
Ms. Anita Kelley, Program Director
Mr. Dan Sherman, Sherman Actuarial Services (by phone)

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the Board Room of the RSA Headquarters on August 9, 2017. The meeting was called to order by Chair Young Boozer at 1:00 p.m.

Roll was taken without a quorum present.

Chair Boozer presented the minutes of the May 24, 2017 board meeting. The minutes will be presented for approval at the next board meeting.

Chair Boozer asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, cancellations, plan assets, and the budget for fiscal year 2017. She discussed spring tuition payments and stated the program paid out benefits in the amount of \$27,551,576 to 7818 students from January 1 through June 30. Ms. Kelley said Tuition and Fee Benefit Increase letters to PACT owners, colleges and universities were mailed on 05/26/17. She stated Usage Statements were mailed on 07/11/17. A transfer from the Education Trust Fund in the amount of \$15,000,000 was received on 04/26/17. The report was received as informational.

Chair Boozer presented the quarterly investment report provided by Regions. He discussed the performance of the portfolio versus the benchmark and said the portfolio

had earned .50% for the quarter and 1.04% year to date. Chair Boozer also discussed quarter end balances. The report was received as informational.

Chair Boozer called on Dan Sherman with Sherman Actuarial Services to present the quarterly actuarial report. He stated the asset value as of 06/30/2017 was \$88,508,002. Mr. Sherman provided a summary of funding and compared the 09/30/2016 assets and liabilities to the 06/30/2017 numbers and noted the funded ratio was 114.6% compared to the 09/30/2016 of 114.2%. He also reviewed a spreadsheet of the projected cash flow through year 2032. The report was received as informational.

Mr. Sherman presented proposed actuarial assumptions for FY 18. He stated the proposed assumptions were the same as the assumptions approved during the February 2017 Board meeting; therefore, no changes were being recommended. The proposed assumptions will be presented for approval at the next board meeting.

There being no further business to be discussed, the meeting adjourned at 1:17 p.m.

Anita Kelley, Recording Secretary

Young Boozer, Chair